

TO: Legislative Colleagues
FROM: Senator Feyen and Representative Thiesfeldt
DATE: January 7th, 2019
RE: Co-sponsorship of LRB-0140/1, relating to: notification of changed property tax assessment for agricultural land
Deadline: Friday, January 18th, 2019 at 5 pm

This legislation is a common-sense reform to save municipalities money. This issue was brought to our attention by the assessor in one of our townships.

Each year, the Department of Revenue determines the assessed value for an acre of agricultural land. Currently, municipalities are then required to send out a Notice of Changed Assessment to each property owner whose parcel has a change in value, whether an increase or a decrease. This process often means that after the cost of postage, envelopes, ink, paper, printing, processing time, etc., municipalities are losing money in order to notify agricultural land owners of a small change in their land value.

As an example from the Town of Malone, if a parcel changes in value by \$100, that creates an increase in local tax of 18 cents. However, in order to send a notice regarding this change, the municipality spends 50 cents on postage, 7 cents on an envelope, 2 cents on ink, 1 cent on paper, and 24 cents on staff time to process and mail the notice for a total cost of 84 cents. Therefore, the municipality is losing 66 cents, even with an increase in tax revenue! Furthermore, if the value of an acre decreases, the municipality is losing even more taxpayer money to comply with a state law.

This bill states that a municipality is not required to send out a Notice of Changed Assessment to agricultural land owners if the value of their parcel has not changed by \$300 or more. This change saves municipalities money while ensuring that if a significant change occurs, land owners will still be properly notified. This proposal has been reviewed by the Farm Bureau and the Department of Revenue.

If you are interested in co-sponsoring this legislation please contact Marie in Senator Feyen's office at Sen.Feyen@legis.wi.gov or 6-5300 or Katie in Representative Thiesfeldt's office at Rep.Thiesfeldt@legis.wi.gov or 6-3156 by Friday, January 18th. All co-sponsors will be added to the Senate and Assembly versions of the legislation unless specified otherwise.

Analysis by the Legislative Reference Bureau

This bill creates an exception to the requirement that an assessor notify a taxpayer when the taxpayer's property is assessed for property tax purposes at a value that differs from the prior year's assessment. Under this bill, an assessor is not required to provide

notification for an assessment of agricultural land if the difference between the two assessments is \$300 or less.